MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2018/ 2019

BPO2864 PRODUCTION AND OPERATIONS MANAGEMENT

(Distance Education)

2nd MARCH 2019
9.00 a.m to 11.00 a.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 3 pages, excluding the cover page.
2. Answer **ALL** questions. All questions carry equal marks.
3. Answers should be written in the Answer Booklet provided.
4. The students are allowed to use non-programmable calculator

Answer ALL questions. All questions carry equal marks.

(5 x 20 = 100 marks)

Question 1

a. Chuck Sox makes wooden boxes in which to ship motorcycles. Chuck and his three employees invest a total of 40 hours per day making the 120 boxes.

i. What is their productivity?

(2.5 marks)

ii. Chuck and his employees have discussed redesigning the process to improve the efficiency. If they can increase the rate to 125 per day, what will be the new productivity?

(2.5 marks)

iii. Explain productivity. How is it important for the organisation's growth?

(5 marks)

b. Describe how an organisation's mission and strategy have different purposes?

(10 marks)

Question 2

a. Does improving health care quality cost money or save money? Much controversy surrounds this seemingly straightforward question. The answer is often unknown, since the needed analyses are missing or inadequate. Even where analyses do exist, the answer varies with the stakeholder's viewpoint and the time frame examined. An investment that improves quality for patients may have different financial consequences for providers or payers.

What is your experience on this statement "Quality costs money"? Justify your answer with an example.

(10 marks)

b. Telephone inquires of 100 IRS customers are monitored daily at random. Incidents of incorrect information or other non-conformities (such as impoliteness to customers) are recorded. The data for the last week follow:

Day	Number of non-conformities
1	5
2	10
3	13
4	18
5	15

Continued..

i. Construct a 3-standard deviation *c*-chart of non-conformities.

(8 marks)

ii. What does the control chart tell you about the IRS telephone operators?

(2 marks)

Question 3

a. How does the operations strategy changes along the product life cycle?

(10 marks)

b. Consideration of cost components such as labour, taxes, real estate and utilities are the key measures most companies use to decide where to locate plants. However non-cost factors often end up being the decisive factor. What are the non-cost factors? Explain them with examples.

(10 marks)

Question 4

a. Define *Supply Chain Management.* What are its objectives? Name any five sourcing strategies and explain them.

(10 marks)

b. The following table contains figures on the monthly volume and unit costs for a random sample of 10 items from a list of 200 inventory items at health care facility. Develop an A-B-C classification for these items. How can this information be useful for the operations manager?

(10 marks)

Item	Usage	Unit cost (RM)
A2	3000	100
B8	4000	12
C7	1500	45
D1	6000	100
E9	1000	200
F3	500	500
G2	300	500
H2	600	20
I5	1750	10
J8	2500	5

Continued..

Question 5

a. One reason that Lean has not been applied to a great extent in service industry is because there is organizational traditional thinking that it is related with production, as it was developed firstly for manufacturing purposes. Appiotti and Bertels also highlighted that Lean behaviour was only considered beneficial for manufacturing industries; however, nowadays, Lean is considered a simple tool applicable for all sectors. From your experience, does lean production work in service sector. Justify your answer with an example.

(10 marks)

b. What are the five priority sequencing rules? Explain how each works to assign jobs.

(10 marks)

END OF PAPER